GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1944
ANSWERED ON:14.03.2017
Contract Farming
Udasi Shri Shivkumar Chanabasappa

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the steps are being taken by the Government to promote contract farming in the country, if so, the details thereof;

(b) whether financial assistance has been given to States or directly to farmers to promote contract farming and if so, the details thereof;

(c) whether NITI Aayog has prepared a draft bill which legalises the leasing of a land which now lie uncultivated and if so, the details thereof; and

(d) whether the concept of contract farming protects the interest of land holder farmers and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): In order to promote contract farming, the Government had in consultation with the States, formulated the Model APMC Act, 2003 and Rules, 2007 for their adaptation. The Model APMC Act, 2003 inter-alia, provides for the registration of contract farming sponsors, recording of contract farming agreements and dispute settlement mechanism. Considering the importance of integration of fruits and vegetable growers with agro-processing units for better price realization and reduction of post-harvest losses, a Committee under the chairmanship of Additional Secretary, Department of Agriculture, Cooperation & Farmers Welfare has been constituted to formulate a progressive model Contract Farming Act for adaption by the States.

(b): No, Madam.

(c): NITI Aayog has formulated a Model Act on Agricultral Land Leasing 2016 to facilitate the States to enact their own Agricultural Land Leasing Act to enhance the agricultural productivity and occupational diversification. The new legal framework is likely to encourage the land owners to lease out land without any fear of losing land rights and enable the tenant farmers to access bank credit, insurance, disaster relief and other support services. The Model Act has been made public on April 12, 2016. The response from the States is very encouraging. Uttar Pradesh has modified leasing laws and Madhya Pradesh has enacted a new land leasing law in line with the Model Act.

(d): Yes, the provision of contract farming in Model APMC Act, 2003 ensures that the title or rights of the farmers over the land shall not be transferred or alienated.

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